

The Self-Employed Mortgage Pre-Flight

Twelve steps, in order. Work down the list and date each one as you finish it.

A pilot inspects the aircraft before takeoff — not because something is expected to be wrong, but because problems are far easier to solve on the ground than in the air. This is the same inspection, run on your financial file. Everything in the book eventually points back to these twelve steps.

1. Choose the right loan officer and CPA

Get them communicating early — before any return is filed.

Date completed

2. Confirm your business structure and ownership

Entity type, ownership percentage, and how your income is actually reported and taxed.

Date completed

3. Build your complete income file

Tax returns, K-1s, W-2s or 1099s, and current business financials as required.

Date completed

4. Calculate your real mortgage-qualifying income

Including the add-backs, deductions, and adjustments an underwriter will make.

Date completed

5. Analyze the direction of your income

Stable, increasing, or declining — and whether it is likely to continue.

Date completed

6. Pull your credit

Identify the debts, obligations, and credit issues that could affect qualification.

Date completed

7. Verify your assets

Down payment, closing costs, reserves — and exactly where the money will come from.

Date completed

8. Run your debt-to-income ratio

Using actual qualifying income, liabilities, taxes, insurance, HOA dues, and a realistic payment.

Date completed

9. Identify and fix underwriting problems now

Documentation gaps, unexplained deposits, business losses, credit issues, asset problems.

Date completed

10. Coordinate major tax and business decisions

With your CPA and loan officer, before making changes that could affect qualification.

Date completed

11. Keep your financial picture steady

No unnecessary new debt, major transfers, compensation changes, or structure changes.

Date completed

12. Get fully pre-approved

Establish your maximum buying power — then set your own comfortable payment ceiling.

Date completed

| One file. Twelve steps. The goal is simple: uncover the problems before you've found the home — not after.

Prepared by

Date